



TERM I

Unit 1. Introduction to the New Act & Concept of Companies:

1. The term company is defined under which sec of the Act?

- A. Sec 3(1)
- B. Sec4 (2)
- C. Sec2 (4)
- D. Sec1 (3)

2. Property of the company belongs to_____

- A. Company
- B. Share holders
- C. Members
- D. Promoters

3. Minimum number of members in case of public company_____

- A. 1
- B. 2
- C. 5
- D. 7

4. Minimum number of members in case of private company is

- A. 1
- B. 2
- C. 3
- D. 7

5. Maximum no. of members in case of private company is

- A. 50
- B. 100
- C. 150
- D. 200



- 6. Maximum no .of members in case of public company is**
- A. 0
 - B. unlimited
 - C. 50
 - D. 100
- 7. Transfer of shares in the company is**
- A. Restricted
 - B. Freely transferable
 - C. Prohibited
 - D. None of these
- 8. A company is named as govt. company if it is holds _____% of paid up share capital**
- A. more than 30
 - B. more than 40
 - C. more than 50
 - D. None
- 9. The companies which are formed under special Act. Those companies are called as**
- A. Chartered companies
 - B. Statutory companies
 - C. Registered companies
 - D. None of these
- 10. The companies which are formed under companies Act. 1956. They will be called as**
- A. Chartered companies
 - B. Statutory companies
 - C. Registered companies
 - D. None of these
- 11. Can private company go for public issue?**
- A. Yes
 - B. No.
- 12. Can private company accept deposits from the public?**
- A. Yes
 - B. No



- 13. Minimum paid up share capital in case of a private company is _____**
- A. 1 Lakh
 - B. 2 Lakhs
 - C. 3 Lakhs
 - D. 4 Lakhs
- 14. Minimum paid up share capital in case of a public company is _____**
- A. 1 Lakh
 - B. 3 Lakhs
 - C. 5 Lakhs
 - D. 7 Lakhs
- 15. Minimum no. of Directors in case of a public company is _____**
- A. 1
 - B. 2
 - C. 3
 - D. 4
- 16. The companies which are formed under special charter granted by the king or queen of England are called**
- A. Statutory companies
 - B. Registered companies
 - C. Chartered companies
 - D. None of these
- 17. The companies which are formed under special Act. Those companies are called as**
- A. Chartered companies
 - B. Statutory companies
 - C. Registered companies
 - D. None of these
- 18. The companies which are formed under companies Act. 1956. They will be called as**
- A. Chartered companies
 - B. Statutory companies
 - C. Registered companies
 - D. None of these



19. Under which sec. a private company can voluntarily converted into public company

- _____
- A. 34
 - B. 44
 - C. 54
 - D. 64

20. Under which sec. a private company can automatically converted into a public company

- _____
- A. 34
 - B. 43
 - C. 53
 - D. 35

21. Central Government permission is required in case of _____ conversion _____

- A. Private to public
- B. Public to private
- C. Both (a) or (b)
- D. None of the above

22. Can private company go for public issue?

- A. Yes
- B. No.

23. Can private company accept deposits from the public?

- A. Yes
- B. No

24. A company is named as govt. company if it is holds _____% of paid up share capital

- A. more than 30
- B. more than 40
- C. more than 50
- D. None



- 25. Which companies are exempted to add “Ltd” or “Pvt Ltd” at the end of their name**
- A. Private
 - B. Govt
 - C. Defunct
 - D. Association not for profits
- 26. If XYZ is the holding company of P&R Ltd. then, which of the following statement is not true in this regard.**
- A. XYZ Ltd. controls the composition of Board of P&R
 - B. XYZ Ltd. holds more than 50% of the nominal value of the equity shares
 - C. Both (a) & (b)
 - D. None of the above
- 27. which of the following company/companies are registered by the Companies Act, 2013?**
- A. Government Company
 - B. Private Company
 - C. Public Company
 - D. All of the above
- 28. A subsidiary of a government company is also treated as a**
- A. Government Company
 - B. Public Company
 - C. Private Company
 - D. All of the above
- 29. Which of the following company is incorporated in a country outside India?**
- A. Private Company
 - B. Foreign Companies
 - C. Government Company
 - D. None of the above



30. Which of the following statement is false?

- A. No legal formality is required to form a company.
- B. The shareholders of a company have limited liability.
- C. A company can own property in its own name.
- D. A company is managed by the elected representatives of shareholders.

Answer Key														
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A	A	D	B	D	B	B	C	B	C	B	B	A	C	C
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
C	B	C	B	B	B	B	B	C	D	D	D	A	B	A



Unit 2 Formation and Incorporation of a Company

- 31. If a company which is formed with unlimited liability wants to convert to limited liability then it should pass**
- A. Ordinary resolution
 - B. Special resolution
 - C. No need
- 32. Maximum capital of private company is**
- A. 50 Lakhs
 - B. 1 Crore
 - C. 1.5 Crore
 - D. Unlimited.
- 33. Transfer of shares in case of private company is**
- A. Prohibited
 - B. Restricted
 - C. Freely transferable
 - D. None of these
- 34. Invitation to public offering shares or debentures in case of private company**
- A. Prohibited
 - B. Restricted
 - C. Acceptable
 - D. None of these
- 35. How many members should sign the MOA in case of public company _____**
- A. 1
 - B. 3
 - C. 5
 - D. 7



- 36. How many members should sign the MOA in case of private company _____**
- A. 1
 - B. 2
 - C. 3
 - D. 4
- 37. In case of appointment of Directors _____ form is to be filed**
- A. 29
 - B. 32
 - C. 18
 - D. 1
- 38. _____ is the conclusive evidence in case of company that statutory requirements have complied with**
- A. Certificate of Incorporation
 - B. Certificate of commencement of Business
 - C. Both
 - D. None of the above
- 39. Private company can start its business immediately after the issue of**
- A. Certificate of commencement of Business
 - B. Certificate of Incorporation
 - C. Both
 - D. None of the above
- 40. Public company Should start business only after getting**
- A. Certificate of Incorporation
 - B. Commencement of business
 - C. None of these
- 41. Private company can start business only after getting certificate of**
- A. Incorporation
 - B. Commencement of business
 - C. None of these



42. Which of the following is not a stage of the development of company?

- A. Promotion
- B. Production
- C. Incorporation
- D. Commencement of Business

43. A is one who performs the preliminary duties necessary to bring a company into being and float it.

- A. Auditor
- B. Promoter
- C. Director
- D. Financer

44. “One who undertakes to form a company with reference to a given object and set it going and who takes the necessary steps to accomplish that purpose

- A. Promoter
- B. Directors
- C. C.E.O.
- D. Board of Directors

45. Which of the following are the functions of a promoter?

- A. Decides name of a company
- B. Nomination of directors
- C. Settles the details of memorandum and articles
- D. All of these

46. The whole process of the company formation may be divided into three direct stages, the sequence is-

- A. (a) Promotion, incorporation by registration, commencement of business.
- B. (b) Incorporation by registration, commencement of business, promotion.
- C. (c) Commencement of business, promotion, incorporation by registration.
- D. (d) Commencement of business, incorporation by registration, promotion.



47. _____ stands in the fiduciary position of the company
- A. Directors
 - B. Promoters
 - C. Auditors
 - D. None of the above
48. _____ are the contracts entered into by promoters on behalf of a prospectus company.
- A. Provisional contracts
 - B. Pre-Incorporation contracts
 - C. Preliminary contracts
 - D. Both a) & b)
49. Contracts made after incorporation but before the grant of Certificate of commencement Of Business _____
- A. Provisional contracts
 - B. Preincorporation contracts
 - C. Preliminary contracts
 - D. Both (b) & (c)
50. Pre-incorporation contract is also known as _____
- A. Provisional
 - B. Preliminary
 - C. illegal
 - D. Legal
51. A public company can borrow money _____
- A. before incorporation
 - B. Soon after incorporation
 - C. after issuing a proposal
 - D. after obtaining certificate to commerce business.
52. A private company can borrow funds
- A. after incorporation
 - B. after obtaining certificate to commerce business
 - C. after holding first annual general meeting
 - D. None of the above



53. Which of the following is not true-

- A. RBI is an example of a statutory company
- B. Suit can be maintained in the name of a company
- C. LIC is an example of registered company
- D. The persons who form the company are called promoters

54. The company’s nationality is decided by its

- A. Shareholders
- B. Registered office
- C. Place at books of accounts are kept
- D. None of the above

55. The liability of members if company is limited by guarantee.

- A. Unpaid value of shares
- B. Guarantee amount
- C. Unlimited liability
- D. None of the above

Answer Key														
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
B	C	B	A	D	B	A	A	A	B	A	B	B	A	A
46	47	48	49	50	51	52	53	54	55					
A	B	D	C	B	D	A	C	B	B					



Unit 3 Documents relating to Incorporation and Raising of Capital:

56. The registered office clause of memorandum of association contains

- A. The name of the state in which the registered office of the company is to be situated.
- B. The name of the city/town only and not that of the state.
- C. The name of registrar of companies
- D. The complete postal address.

57. Which documents contains the constitution of a company?

- A. Memorandum of Association
- B. Articles of Association
- C. Both (a) and (b)
- D. None of these

58. Which documents contains the regulations relating to the internal management of a company?

- A. Memorandum of Association
- B. Articles of Association
- C. Both (a) and (b)
- D. None

59. For vetting the MOA and AOA, as per SPICE, eMOA and eAOA is required.

- A. True
- B. False
- C. Partly True
- D. None of the above.

60. Company is managed by

- A. Shareholders
- B. Board of Directors
- C. Karta
- D. Both(a)&(b)



- 61. Which one of the following is not the content of Memorandum of Association?**
- A. Name clause
 - B. Registered office clause
 - C. Objects clause
 - D. Board of Directors clause
- 62. The doctrine of indoor management is an _____ to the doctrine of constructive notice**
- A. Exception
 - B. Extension
 - C. Alternative
 - D. None of the above
- 63. The doctrine of _____ does not apply to acts void ab initio.**
- A. Ultra virus
 - B. Intra virus
 - C. constructive notice
 - D. Indoor management
- 64. A company can change its name at its own discretion by passing _____**
- A. Ordinary resolution
 - B. Special resolution
 - C. Boards resolution
 - D. None of the above
- 65. Any change in the address of the registered office must be communicated to the registrar with in:**
- A. 15 days
 - B. 30 days
 - C. 1 Month
 - D. 12 months
- 66. An act ultra virus the directors can be rectified if it is not ultra vires**
- A. the articles
 - B. the memorandum
 - C. Company Act
 - D. None of the above



67. The lending of funds ultra vires, the company has no rights

- A. under the company's Act
- B. contract Act
- C. under equity
- D. None of the above

68. If a new company get registered with a name which resembles the name of existing company then it should apply to whom?

- A. NCLT
- B. SEBI
- C. ROC
- D. None of the above

69. Companies are now allotted a _____ in addition to their name

- A. PAN
- B. SIN
- C. PIN
- D. CIN

70. In how many days did the company have its registered office after incorporation

- A. 10
- B. 20
- C. 30
- D. 40

71. Under which sec. if company fails to commence its main object the court may order winding up

- A. 403 (f)
- B. 413 (f)
- C. 423 (f)
- D. 433 (f)



72. Signature of memorandum and articles should be done by _____ number of persons in case of public company

- A. 7
- B. 5
- C. 4
- D. None of these

73. Signature of memorandum and articles should be done by _____ number of persons in case of private company

- A. 3
- B. 4
- C. 2
- D. None of these

74. Can a Minor be a subscriber

- A. Yes
- B. No

75. Can Foreigners be subscriber

- A. Yes
- B. No

76. MOA should be in form _____ in case of company limited by shares

- A. Table A
- B. Table B
- C. Table C
- D. Table D

77. MOA should be in form _____ in case of company limited by guarantee not having share capital

- A. Table A
- B. Table B
- C. Table C
- D. Table D



78. MOA should be in form _____ in case of company limited by guarantee and having share capital

- A. Table A
- B. Table B
- C. Table C
- D. Table D

79. MOA should be in form _____ in case of a unlimited liability

- A. Table A
- B. Table B
- C. Table E
- D. None of these

80. Private Company need not issue prospectus

- A. Yes
- B. No

81. Prospectus is required to be issued when right issue are made

- A. Yes
- B. No

**82. Prospectus is not required to be issued when sweat equity shares are issued to directors
And employees**

- A. Yes
- B. No

**83. Prospectus is required to be issued when issue is for Employees under Employee stock
option scheme**

- A. Yes
- B. No

84. When there is a untrue statement in a prospectus who can sue

- A. Subscribed in primary market
- B. Subscribed in secondary market
- C. Rights issue
- D. None of the above



85. Definition of prospectus was given under which sec.

- A. 2 (30)
- B. 2 (32)
- C. 2 (34)
- D. 2 (36)

DACC

Answer Key														
56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
A	A	B	A	B	D	B	D	B	C	C	A	A	D	C
71	72	73	74	75	76	77	78	79	80	81	82	83	84	85
D	A	C	B	A	B	C	D	C	A	B	A	A	A	D





Unit 4 Capital of the Company

86. Which of the following are not required to issue prospectus?

- A. Private company
- B. Incase of right issue
- C. Sweat equity issue
- D. All the above

87. The date of the opening of the subscription list means the beginning of the _____ from the day of the issue of prospectus.

- A. 5th
- B. 3 rd
- C. 10 th
- D. 20 th

88. The minimum application money should be _____ of nominal value.

- A. 5%
- B. 3%
- C. 2%
- D. None of these

89. The minimum application money should be _____ of nominal value as per SEBI guidelines

- A. 25%
- B. 30%
- C. 40%
- D. None of these

90. Can shares be allotted immediately after the issue of prospectus

- A. Yes
- B. No
- C. None of the above



91. **The min subscription amount is reckoned with amounts payable in _____**
- A. cash only
 - B. kind only
 - C. cash as well as kind
 - D. None of the above
92. **All money received in the form of application money can be used for business activities**
- A. Yes
 - B. No
93. **Allotment of shares or debentures must be made after getting _____ subscription against entire public issue as per SEBI guidelines.**
- A. 80%
 - B. 90%
 - C. 100%
 - D. None of these
94. **If the refunds are delayed by more than 10 days after this period. The directors become liable to repay the money with how much interest as per SEBI Guidelines.**
- A. 10%
 - B. 15%
 - C. 20%
 - D. None of these
95. **Every Company who want to go for public issue and allot shares, they should make an applicant to stock exchange**
- A. Yes
 - B. No
96. **If the permission has not been granted or not applied for permission for listing through stock exchange. The allotment of shares will be void in case of public company**
- A. Yes
 - B. No



97. If the company has not received permission for listing from stock exchange and Repayment of amount delayed by more than 8 days the minimum interest should be paid is

- A. 4%
- B. 3%
- C. 2%
- D. none of these

98. From the above how much will be maximum interest

- A. 10%
- B. 12%
- C. 15%
- D. None of these

99. After the expiry of how much time the company must think that the permission was not granted

- A. 11 weeks
- B. 12 weeks
- C. 10 weeks
- D. None of these

100. As per SEBI guidelines the application money should be minimum of _____

- A. 10
- B. 15
- C. 20
- D. 25

Answer Key

86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
D	A	A	A	B	A	B	B	B	A	A	A	C	C	D



Unit 5 Forfeiture, Surrender & Transfer of Shares

101. One of the conditions, in addition to others, for allotment of shares is :

- A. Resolution in General Meeting
- B. Receiving Minimum Subscription
- C. Full Subscription by Public
- D. Full Payment on Application

102. Forfeiture of shares results in the reduction of:

- A. Subscribed Capital
- B. Authorised Capital
- C. Reserve Capital
- D. Fixed Assets

103. Which one of the following items is not a part of subscribed capital?

- A. Equity Shares
- B. Preference Shares
- C. Forfeited Shares
- D. Bonus Shares

104. At the time of forfeiture of shares the share capital account is debited with

- A. Face value
- B. Called up value
- C. Paid up value
- D. Issued value

105. Voluntary return of shares for concellation by the shareholders is called

- A. Cancellation of shares
- B. Forfeiture
- C. Surrender of shares
- D. None of these



106. If the Premium on the forfeited shares has already been received, then Securities Premium A/c should be

- A. Credited
- B. Debited
- C. No treatment
- D. None of these

107. Balance of share forfeiture account is shown in the balance sheet under the head

- a. Share Capital Account
- b. Reserve and Surplus
- c. Current Liabilities and Provisions
- d. Unsecured Loans

108. The amount of discount on reissue of forfeited shares cannot exceed :

- A. 5% of the face value
- B. 10% of the face value
- C. The amount received on forfeited shares
- D. The amount not received on forfeited shares

109. Discount allowed on re-issue of forfeited shares is debited to :

- A. Share Capital A/c
- B. Share forfeiture A/c
- C. Statement of Profit & Loss
- D. General Reserve A/c

110. The balance of the forfeited shares account after re-issue of forfeited shares is transferred to :

- A. Statement of Profit & Loss
- B. Share Capital A/c
- C. Capital Reserve A/c
- D. General Reserve A/c



111. Entry for reissue of forfeited shares at discount will be

- A. Bank A/c Dr.
Share Forfeiture A/c Dr.
To Share Capital A/c
- B. Bank A/c Dr.
To Share Capital A/c
- C. Share Capital A/c Dr.
Share Forfeited A/c Dr.
To Bank A/c
- D. Bank A/c Dr.
Share Capital A/c Dr.
To Share Forfeited A/c

112. Which of the following is not true about a private company?

- A. Restriction on the right to transfer its shares
- B. Private company ends with the words 'Private Limited'.
- C. Minimum paid up share capital Rs.1,00,000
- D. Minimum paid up capital is 5,00,000

113. _____ Shares are not convertible.

- A. Equity Shares
- B. Convertible Preference Shares
- C. Both Preference Shares and Convertible Preference Shares
- D. Preference Shares

114. In the situation of _____, a company do not reject any application

- A. Oversubscription
- B. Uncalled share capital
- C. Under subscription
- D. Both Oversubscription and Uncalled share capital
- E.

115. What type of shares can be issued at discount?

- A. Both Preference Shares and Equity Shares
- B. Sweat Equity Shares
- C. Equity Shares
- D. Preference Shares



Answer Key														
101	102	103	104	105	106	107	108	109	110	111	112	113	114	115
B	A	C	B	C	C	A	C	B	C	A	D	A	C	B





Term – II

Unit 6 E-Governance and E-Filing:

116. Who of the following is NOT a major player in e-commerce?

- A. E-merchants
- B. Legal professionals
- C. Vendors
- D. Commerce Service Providers

117. Ability to reach directly to the customer is ----- of e-commerce.

- A. Strength
- B. Weakness
- C. Threat
- D. Disadvantage

118. Electronic tax payment belongs to the category of -----.

- A. C2C
- B. B2B
- C. P2P
- D. C2G

119. Which of the following is not a stage in the development of e-governance?

- A. Transition phase
- B. Transformation phase
- C. Interaction phase
- D. Transaction phase

120. The facilitator for National e-governance Programme (NeGP) in India is:

- A. Ministry of Human Resources Development
- B. Department of Electronics and Information Technology
- C. Department of E-governance
- D. Department of Administrative Reforms and Public Grievances

Answer Key				
116	117	118	119	120
B	A	D	A	B



Unit 7 Management of Company:

- 121. 1. Which one of the following statements is incorrect?**
- A. The statutory minimum age of a director is 18.
 - B. There is no statutory maximum age for directors
 - C. A company can be a director of another company.
 - D. There are no legal qualifications necessary for being a director.
- 122. 2. What is the legal minimum number of directors for a private limited company?**
- A. 1
 - B. 2
 - C. 5
 - D. 20
- 123. What is a shadow director?**
- A. A director who has management responsibilities in the company.
 - B. A person whose directions or instructions the directors of a company follow.
 - C. A person appointed to attend Board meetings and vote in place of a director.
 - D. Anyone who acts as a director, although not validly appointed as one.
- 124. A shareholder who wishes to make a proposal that that a director is dismissed must give the company 'special notice' of their proposal prior to the meeting. How many days notice is required for special notice?**
- A. 7
 - B. 14
 - C. 28
 - D. 42
- 125. Which Act gives the court power to disqualify someone from being a director if they have been guilty of fraudulent trading or have been participating in wrongful trading?**
- A. Fraudulent Trading Act 2006
 - B. Companies Act 2006
 - C. Insolvency Act 1986
 - D. Company Directors Disqualification Act 1986



- 126. Where court action is taken against a director for breach of duty any compensation awarded by the court is payable to:**
- A. The Board of Directors.
 - B. The shareholders.
 - C. The company.
 - D. The creditors.
- 127. In order to be a company secretary of a private limited company what qualifications must you have?**
- A. A qualified UK lawyer.
 - B. A member of one of the named professions (such as Institute of Chartered Accountants, Institute of Chartered Secretaries and Administrators).
 - C. You need no qualifications.
 - D. Have been a secretary of a public company for at least three years out of the last five.
- 128. The constitute the top administrative organ of the company.**
- A. General Manager
 - B. Shareholder
 - C. Board of Directors
 - D. Advisory Panel
- 129. Where company has 3 directors, the maximum remuneration payable to all of them is% of the annual net profit.**
- A. 5
 - B. 10
 - C. 20
 - D. 25
- 130. A person cannot act as managing directors of more than Company/ companies at a time.**
- A. One
 - B. Two
 - C. Three
 - D. Five



- 131. Which of the following is NOT a type of company director?**
- A. A supreme director.
 - B. An executive director.
 - C. A non-executive director.
 - D. A shadow director.
- 132. In relation to Public limited Companies, the minimum number of directors required is?**
- A. 1
 - B. 2
 - C. 3
 - D. 10
- 133. Age limit of Directors in case of private company is _____**
- A. 65
 - B. 70
 - C. 75
 - D. No limit
- 134. Which of the following is a right of the members of a company_____**
- A. Right to have share
 - B. Right Appoint Auditor
 - C. Right Appoint Director
 - D. All the above
- 135. U/s 274 (f) (g) directors are disqualified for how many _____ years.**
- A. 1
 - B. 3
 - C. 5
 - D. 7
- 136. What is the maximum number of directors mentioned under Act for a Public Company?**
- A. 50
 - B. 7
 - C. 15
 - D. No Restriction



- 137. On completion of 2 terms, an Independent Director can get appointed as ID only after a gap of.....**
- A. 2 years
 - B. 3 years
 - C. 5 years
 - D. 10 years
- 138. A directors election takes place in a general meeting through a separated Resolution passed by a _____majority.**
- A. single .
 - B. two-thirds.
 - C. three-fourths.
 - D. five-sixths .
- 139. A part from the board of directors, a company can have_____.**
- A. only a manager.
 - B. only a managing director .
 - C. both a manager and a managing director .
 - D. either a manager or a managing director .
- 140. Converting physical scrips into computerized ledger accounts maintained by the depository is called**
- A. Dematerialisation
 - B. Rematerialisation
 - C. Digitalisation
 - D. None of the above

Answer Key														
121	122	123	124	125	126	127	128	129	130	131	132	133	134	135
A	B	B	C	D	C	C	C	B	B	A	C	D	D	C
136	137	138	139	140										
C	B	A	D	A										



Unit 8 Key Managerial Personnel (KMP)

- 141. The term Manage as defined by Companies Act, 2013, means _____.**
- A. an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the Whole, or substantially the whole, of the affairs of a company.
 - B. a director who, by virtue of the articles of a company is entrusted with substantial powers of management of the affairs of the company.
 - C. a director who, by virtue of an agreement with the company is entrusted with substantial powers of management of the affairs of the company.
 - D. None of the above.
- 142. As per Sec. 197(3) of Companies Act, 2013, if in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or whole-time director or manager, by way of remuneration _____.**
- A. any sum exclusive of any fees payable to director's u/s 197(5) except in accordance with the provisions of Schedule IV.
 - B. any sum exclusive of any fees payable to director's u/s 197(5) except in accordance with the provisions of Schedule V.
 - C. any sum inclusive of any fees payable to director's u/s 197(5) except in accordance with the provisions of Schedule IV.
 - D. any sum inclusive of any fees payable to director's u/s 197(5) except in accordance with the provisions of Schedule V.
- 143. As per Sec. 197(10) of Companies Act, 2013, the company shall not waive the recovery of any sum refundable to it u/s 197(9) unless _____.**
- A. approved by the company by special resolution within two years from the date the sum becomes refundable.
 - B. approved by the company by special resolution within six months from the date the sum becomes refundable.
 - C. permitted by NCLT.
 - D. permitted by the Central Government.



144. **Maximum period for which a person may be appointed or reappointed at a time as Managing director, Whole time director or Manager in a company shall be _____.**
- A. 3 Years
 - B. 5 Years
 - C. 7 Years
 - D. None of the Above
145. **Compensation payable u/s 202(1) of companies Act, 2013 to a managing director shall not be paid in which of the following situations?**
- A. where the director resigns from his office as a result of the reconstruction of the company.
 - B. where the director resigns from his office otherwise than on the reconstruction of the company.
 - C. where the office of the director is vacated u/s 167(1).
 - D. all of the above.
146. **Which of the following is correct in relation to sitting fees of directors as per Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014?**
- A. The sitting fees for Independent Directors and Women Directors shall not be less than 1 Lac.
 - B. The sitting fees for Independent Directors and Women Directors shall not be more than 1 Lac.
 - C. The sitting fees for Independent Directors and Women Directors shall not be less than the sitting fee payable to other directors.
 - D. The sitting fees for Independent Directors and Women Directors shall not be more than the sitting fee payable to other directors.
147. **Reappointment of Managing director, Whole time director or Manager shall not be made earlier than _____.**
- A. 3 months before the expiry of his term
 - B. 6 months before the expiry of his term
 - C. 9 months before the expiry of his term
 - D. 12 months before the expiry of his term



- 148. Key Managerial Personnel in relation to a company, do not include which of the following:**
- A. Chief Executive Officer.
 - B. Chief Financial Officer.
 - C. Chief Operating Officer.
 - D. Manager.
- 149. As per Sec. 202 of Companies Act, 2013, a company may make payment to _____ by way of compensation for loss of office, or as consideration for retirement from office or in connection with such loss or retirement.**
- A. a managing or whole-time director, but not to any manager.
 - B. manager, but not to managing or whole time director.
 - C. a managing or whole-time director or manager, but not to any other director.
 - D. a managing or whole-time director or manager or any other director.
- 150. Any payment made to a manager in pursuance of Sec. 202(1) shall not _____ the remuneration which he would have earned if he had been in office for the remainder of his term or for _____. whichever is _____.**
- A. be less than; 3 years; shorter
 - B. exceed; 3 years; shorter
 - C. be less than; 2 years; shorter
 - D. exceed; 3 years; longer
- 151. A whole-time key managerial personnel shall not hold office in more than _____ at the same time.**
- A. one company except in its subsidiary company
 - B. two company except in its subsidiary company
 - C. one company except in its wholly owned subsidiary company
 - D. two company except in its wholly owned subsidiary company
- 152. To pay remuneration to any one managing director; or whole-time director or manager in excess of 5% of the net profits of the company, which of the following approval are required?**
- A. Board resolution and prior approval of Central Government
 - B. Board Resolution



- C. Special Resolution in general meeting.
D. Ordinary Resolution in general meeting and prior approval of Central Government.
- 153. A company wants to appoint Mr. X aged 20 years as its Managing director. Which of the following approval will be required as per the provisions of Companies Act, 2013?**
- A. Board resolution
B. Special resolution in general meeting
C. Prior approval of Central government
D. Mr. X cannot be appointed a Managing director.
- 154. Company shall file a return of appointment of a Managing Director, Whole Time Director or Manager within _____ of the appointment with the Registrar, in Form No. _____.**
- A. 30 days; MR 1
B. 60 days; MR 1
C. 30 days; MR 2
D. 60 days; MR 2
- 155. A managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Central Government in case such appointment is at variance to the conditions specified in _____.**
- A. Part I of Schedule V.
B. Part II of Schedule V.
C. Part III of Schedule V.
D. Part I and II of Schedule V.
- 156. Key Managerial Personnel in relation to a company, include which of the following:**
- A. the chartered accountant.
B. the cost accountant.
C. The company secretary
D. None of the Above



157. All definitions of Corporate Social Responsibility recognize that:

- A. companies have a responsibility for their impact on society and environment.
- B. the natural environment should be the main focus of CSR activities.
- C. business ethics is a complex issue.
- D. companies must pay equal attention to business ethics and sustainability.

158. Opportunities for social innovation are greatest when:

- A. CSR is aligned with a firm's core skills and capabilities.
- B. CSR spending of a firm is larger than that of its competitors.
- C. CSR is pursued by a firm to improve its reputation.
- D. CSR is pursued by a firm to enhance human capital.

159. What is the main characteristic of the stakeholder approach?

- A. The idea that many different groups have a legitimate interest in the corporation
- B. It is a critical perspective on corporations and business.
- C. A focus on social and environmental responsibilities of a corporation.
- D. The assumption that shareholders are not the main stakeholders in the corporation.

160. A Whole-time director can be appointed or re-appointed for a term not exceeding ----- at

- A. time.
- B. Two years
- C. Three years
- D. Five years
- E. Seven years

Answer Key

141	142	143	144	145	146	147	148	149	150	151	152	153	154	155
A	B	A	B	D	C	D	C	C	B	A	C	D	B	A
156	157	158	159	160										
C	A	A	A-	C										



Unit 9 Company Meetings:

- 161. The articles of association can be altered by_____.**
- A. a resolution of the board of directors .
 - B. an ordinary resolution in general meeting .
 - C. a special resolution in general meeting .
 - D. obtaining permission from the company law board
- 162. How many directors of a public company, unless the articles provide otherwise, must be appointed by the company in general meeting**
- A. All the directors .
 - B. One half of the directors .
 - C. Two-thirds of the directors .
 - D. Three-fourths of the directors .
- 163. Who/what appoints the first directors of a company ?**
- A. The shareholders in general meeting .
 - B. The Registrar of companies .
 - C. The articles of association .
 - D. The promoters .
- 164. A directors election takes place in a general meeting through a separated Resolution passed by a _____majority.**
- A. single .
 - B. two-thirds.
 - C. three-fourths.
 - D. five-sixths .
- 165. Annual General Meeting can be called by_____.**
- A. managing director.
 - B. shareholders.
 - C. board of directors.
 - D. company secretary.



- 166. The duties of Company Secretary s regarding company meetings are restricted upto_____.**
- A. before company meeting.
 - B. during company meeting
 - C. after company meeting.
 - D. In all the above situations.
- 167. Articles of Association can be altered by _____**
- A. a resolution of the board of directors.
 - B. an ordinary resolution in general meeting.
 - C. a special resolution i.n general meeting
 - D. obtaining permission from the company law board.
- 168. The notice of general meeting of a company must be given at least_____.**
- A. 7 days .
 - B. 15 days.
 - C. 21 days.
 - D. 30 days.
- 169. General meeting refers to _____.**
- A. Shareholders meetings .
 - B. Directors meetings.
 - C. Creditors meetings.
 - D. Debenture holder meetings.
- 170. The minutes of the share holder’s meeting are to be kept at theoffice of the company and must be open to inspection.**
- A. registered
 - B. divisional
 - C. head
 - D. none



171. The meeting other than statutory and the annual general meeting of the company is.....

- A. extra ordinary meeting
- B. special meeting
- C. board
- D. none of these

172. The statutory meeting is required to be held bycompanies

- A. private
- B. public
- C. both
- D. none

173.is the proper authority to call annual general meeting.

- A. promoters
- B. manager
- C. board of directors
- D. secretary

174. Annual General Meetings should be held at

- A. Company
- B. Registered office
- C. Corporate office
- D. None of these

175. Notice of statutory meeting should be given with a period not less than

- A. 21 clear days
- B. 14 clear days
- C. 7 clear days
- D. None of these

176. Annual General Meetings should be held at

- A. Company
- B. Registered office
- C. Corporate office
- D. None of these



- 177. Notice of statutory meeting should be given with a period not less than**
- A. 21 clear days
 - B. 14 clear days
 - C. 7 clear days
 - D. None of these
- 178. Notice of statutory meeting should be attested by at least.**
- A. 3 directors
 - B. 2 directors
 - C. 3 directors
 - D. None of these
- 179. First Annual General Meetings must be held within _____ from the date of the balance sheet**
- A. 6months
 - B. 9months
 - C. 5months
 - D. None of these
- 180. _____ meeting given an opportunity to the member to know discuss on promotion & formation of the company.**
- A. General
 - B. EGM
 - C. Statutory
 - D. None of the above
- 181. _____ report is send by the directors to its members.**
- A. Statutory
 - B. Audit
 - C. Annual
 - D. None of the above



182. In the given below who are not required to hold Statutory General Meeting

- A. Private company
- B. Government Company
- C. Public company
- D. Both (a) & (b)

183. In the given below who are required to hold A.G.M _____

- A. Public company
- B. Private company
- C. Government company
- D. All the three

184. In case of failure to convene the AGM fine is upto Rs. _____

- A. 25,000
- B. 50,000
- C. 75,000
- D. 80,000

185. In case of continuing default to convene the AGM fine isRs. _____ for every day.

- A. 250
- B. 300
- C. 350
- D. 400

186. The resolution passed at AGM are _____

- A. Valid
- B. Void
- C. Voidable
- D. Void abinitio



187. A company not declare dividend at.

- A. Statutory meeting
- B. Annual general meeting
- C. Extra ordinary G.M
- D. None of the above

188. _____ is the official recording of the proceedings of a meeting

- A. Quorum
- B. Minutes
- C. Both a) & b)
- D. None of the above

189. Minutes should be recorded with in _____ days from the date of conclusion of every meeting

190.

- A. 10
- B. 20
- C. 30
- D. 40

191. Only the directors have the power to call a general meeting.

- A. True
- B. False

Answer Key														
161	162	163	164	165	166	167	168	169	170	171	172	173	174	175
C	C	D	A	D	D	C	C	A	A	A	B	C	B	A
176	177	178	179	180	181	182	183	184	185	186	187	188	189	190
C	A	B	B	C	A	D	A	C	A	A	A	B	C	B



Unit 10 Revival and Re-habilitation of Sick Companies (S. 253-269)

- 192. A voluntary winding up means winding up by.**
- A. Members or Creditors.
 - B. Members or Contributors.
 - C. Contributories or Creditors.
 - D. Share holders or Tribunal.
- 193. In the event of Company being wound up the Tribunal shall prepare list of contributories into.**
- A. List A.
 - B. List B.
 - C. List A and List B.
 - D. List A or List B.
- 194. As per Sec.488, Declaration of Solvency of company by the Directors in the case of voluntary winding up may be made within.**
- A. 5 weeks of passing resolution.
 - B. one month.
 - C. 6 months.
 - D. None of these.
- 195. The object of winding up of a company by the Tribunal is.**
- A. To facilitate the protection of its assets.
 - B. To convert the company into private company if it is a public company.
 - C. To convert the company into public company if it is a private company.
 - D. To change the Memorandum and Articles.



- 196. Dividend and interest are _____.**
- A. Synonymous terms.
 - B. different from each other.
 - C. debited to profit and loss account.
 - D. divisible profits.
- 197. Auditors act as agent of _____.**
- A. Shareholders.
 - B. directors.
 - C. promoter.
 - D. debenture holder.
- 198. When can an application be made to Tribunal for constitution of a winding up committee to assist and monitor the progress of liquidation proceedings by the Company Liquidator in carrying out the function?**
- A. Within two weeks from the date of passing of winding up order
 - B. Within three weeks from the date of passing of winding up order
 - C. Within four weeks from the date of passing of winding up order
 - D. None of the above.
- 199. When can a winding up order not be called a notice of discharge?**
- A. when the business of the company is continued
 - B. when the business of the company is closed since 2 years.
 - C. On the discretion of the management
 - D. till a provisional Liquidator is appointed
- 200. Under what circumstances the meeting of the creditors may be dispensed by the NCLT?**
- A. if 70% of the creditors in value agree and confirm to the scheme by way of affidavit
 - B. if 80% of the creditors in value agree and confirm to the scheme by way of affidavit
 - C. if 90% of the creditors in value agree and confirm to the scheme by way of affidavit
 - D. None of the above



Answer Key									
191	192	193	194	195	196	197	198	199	200
A	C	A	A	C	A	A	B	A	C

